GOVERNMENT OF INDIA
PERSONNEL,PUBLIC GRIEVANCES AND PENSIONS
LOK SABHA

UNSTARRED QUESTION NO:840
ANSWERED ON:06.03.2002
FIXATION OF AMOUNT OF GRATUITY PAYABLE TO GOVERNMENT EMPLOYEES
SUDHA YADAV

Will the Minister of PERSONNEL,PUBLIC GRIEVANCES AND PENSIONS be pleased to state:

(a) whether the Government had fixed Rs. 3.5 lakh as the maximum amount of gratuity payable to a Central Government employee on his retirement in the year 1996;

(b) if so, whether the Dearness Allowance which is part of gratuity was nil in January, 1996;

(c) whether the Dearness Allowance has increased to about 50 per cent of the basic pay as on January, 2002 and the maximum amount of gratuity is remaining the same;

(d) if so, whether the Government propose to enhance this maximum amount of gratuity keeping in view the increase in D.A.;

(e) if so, the details thereof; and

(f) if not, the reasons therefor?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF SMALL SCALE INDUSTRIES, MINISTER OF STATE IN THE MINIS PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS, MINISTER OF STATE IN THE MINISTRY OF PLANNING AND M OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE. (SMT.VASUNDHARA RAJE)

(a): Yes, Sir.

(b) to (f): DA was nil in January, 1996 which was gradually increased thereafter and it stood at 45 per cent as on 1.7.2001. Dearness Allowance admissible on the date of retirement is also treated as emoluments for the purpose of calculating Retirement/Death Gratuity. However, gratuity so calculated is subject to the maximum limit of Rs. 3.5 lakhs. There is no proposal for the present to enhance the limit of gratuity payable.